HESS

CONNECTICUT GENERAL ASSEMBLY
ENERGY & TECHNOLOGY COMMITTEE

H.B. 5508 – AN ACT ESTABLISHING THE DIVISION OF ELECTRICITY POLICY AND PROCUREMENT

PUBLIC HEARINGS – MARCH 16, 2010

STATEMENT OF JAY L. KOOPER
ON BEHALF OF HESS CORPORATION

Good afternoon. My name is Jay Kooper and I am the Director of Regulatory Affairs for the Hess Corporation ("Hess"). Hess, a Fortune 100 company and global energy company with over $28 billion in worldwide assets, is a licensed retail supplier of electricity to commercial and industrial ("C&I") customers in Connecticut. These customers include hospitals, schools and universities, factories, supermarkets and superstores and a wide range of other medium-sized and large C&I businesses, all of whom like Hess invest substantial capital and resources in Connecticut. Hess' New England regional office for its electric marketing operations is headquartered in Rocky Hill, Connecticut and is fully staffed by Connecticut residents.

Hess submits this statement today **to oppose H.B. 5508** because this bill eviscerates Connecticut's competitive electricity markets and with it the value-added products, innovations and savings that customer choice has provided and continues to provide for the residents and businesses of Connecticut.

According to the DPUC, as of January 31, 2010, 301,557 customers representing 49% of the total statewide electric load, 90.7% of the entire large commercial and industrial electric load, 67% of the small commercial electric load and 19% of the entire residential electric load is served by a competitive electric supplier. H.B. 5508, however, will replace the competitive choice model that is working well with a regime that will restrict choice. In addition, this legislation will, unlike the competitive model, force Connecticut ratepayers and taxpayers to bear the costs of enormous billion-dollar risks by allowing the newly-created Division of Electricity Policy and Procurement to "operate electric power plants and may provide financial assistance…to encourage the development of generation." As with the Connecticut Electric Authority proposed in companion bill H.B. 5505, this proposal will place Connecticut taxpayers at risk for the imperfect investment decisions of the Division where according to its most recent Regional System Plan, ISO New England does not foresee the need for new resources through 2018. Make no mistake, the costs for this proposals – the risks of which can total into the billions of dollars – will be borne by Connecticut taxpayers and ratepayers at a time of deep economic recession when they can least afford these costs for generation resources that Connecticut does not need.

In addition, passage of H.B. 5508 will result in lost economic development and investment in Connecticut in the form of capital, jobs and innovation through the eradication of customer choice that will drive businesses out of Connecticut and leave remaining businesses with fewer options and higher electricity prices not subject to the downward pressures that competition provides.

For these reasons, Hess urges the Committee to **reject** H.B. 5508.